

Via Certified Mail

June 19, 2007

Mr. James Tolen
Black Beauty Coal Company, LLC - Farmersburg Mine
7100 Eagle Crest Blvd.
Evansville, IN 47715

Re: Source Specific Operating Agreement
167-24672-00081

Dear Mr. Tolen:

Your application for Source Specific Operation Agreement (S167-24672-00081) was received on April 24, 2007, and has been reviewed. Based on the data submitted and the provisions in 326 IAC 2, it has been determined that your emission source, a coal preparation plant and coal mine located at 5526 E. French Drive, Pimento, Indiana 47866, has met the criteria required to obtain a Source Specific Operating Agreement.

Pursuant to IC 4-21.5-3-5(a) and (b), approval of Source Specific Operating Agreement (S167-24672-00081) shall not be effective until fifteen (15) days from the date of this letter.

The facilities and processes of this source are hereby granted the Source Specific Operating Agreement provided that the following requirements of 326 IAC 2-9 are satisfied:

Section A: Coal Mine, Coal Preparation Plant, or Combination of the Two: [326 IAC 2-9-10]

1. The source under this Source Specific Operating Agreement (SSOA) shall not utilize thermal dryers or pneumatic coal cleaning equipment.
2. The source annual amount of coal shipped offsite shall be less than five million (5,000,000) tons per year.
3. The source shall keep and maintain at the site, records of the total annual throughput for the previous twelve (12) months, based on a monthly rolling total. These records shall be kept for a minimum period of five (5) years, and made available upon request of the Office of Air Quality (OAQ) and Vigo County Air Pollution Control (VCAPC).
4. The screening, crushing, and conveying processes at the coal preparation plant shall be enclosed, unless a wet suppression system is used, such that visible emissions shall not exceed an average of twenty (20%) opacity in twenty-four (24) consecutive readings in a six (6) minute period using procedures in 40 CFR 60, Appendix A, Method 9.
5. The fugitive particulate matter (PM) emissions from open storage piles, unpaved roadways, and batch transfer processes shall be controlled by applying water or other approved dust suppressant on an as needed basis, such that the following visible emission conditions are met:
 - (a) The visible emissions from the open storage piles shall not exceed twenty percent (20%) in twenty-four (24) consecutive readings in a six (6) minute period. This limitation shall not apply during periods when application of control measures are ineffective or unreasonable due to sustained high wind speeds. The opacity shall be determined using 40 CFR 60, Appendix A, Method 9, except that the opacity shall be observed at the point of maximum opacity. The observer shall stand at least fifteen (15) feet, but no more than one-fourth (1/4) mile, from the plume and at approximately right angles to the plume.

- (b) The visible emissions from unpaved roadways shall not exceed an average instantaneous opacity of twenty percent (20%). Average instantaneous opacity shall be the average of twelve (12) instantaneous opacity readings, taken for four (4) vehicle passes, consisting of three (3) opacity readings for each vehicle pass. The three (3) opacity readings for each vehicle pass shall be taken as follows:
- (i) The first reading shall be taken at the time of emission generation.
 - (ii) The second reading shall be taken five (5) seconds later.
 - (iii) The third reading shall be taken five (5) seconds after the second reading, or ten (10) seconds after the first reading.

The three (3) readings shall be taken approximately four (4) feet from the surface at the point of maximum opacity. The observer shall stand at least fifteen (15) feet, but not more than one-fourth (1/4) mile, from the plume and at approximately right angles to the plume.

- (c) The visible emissions from material transfer processes shall not exceed an average instantaneous opacity of twenty percent (20%). The average instantaneous opacity shall be the average of three (3) opacity readings taken five (5) seconds, ten (10) seconds, and fifteen (15) seconds after the end of one (1) material loading or unloading operation. The three (3) readings shall be taken at the point of maximum opacity. The observer shall stand at least fifteen (15) feet, but no more than one-fourth (1/4) mile, from the plume and at approximately right angles to the plume.
6. All visible emission readings taken, shall be performed by a qualified observer, as defined in 326 IAC 1-2-62.
7. The fugitive emissions from the coal mine and coal preparation operation shall not escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, pursuant to 326 IAC 6-4.
8. The source shall submit an annual fee of seven hundred fifty dollars (\$750) to:
- Vigo County Air Pollution Control
103 South 3rd Street
Terre Haute, Indiana 47807
- no later than January 30 of each year.
9. Include with the annual notice required in Condition 1 of the General Requirements Section, a legal description of the source's location.

Section B: General Requirements: [326 IAC 2-9-1]

1. The source shall provide an annual notice to the commissioner, stating that the source is in operation, and certifying that its operations are in compliance with the requirements of this Source Specific Operating Agreement. The above annual notice shall be submitted to:

**Compliance Data Section
Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, IN 46204-2251**

and

**Vigo County Air Pollution Control
103 South 3rd Street
Terre Haute, Indiana 47807**

no later than January 30 of each year, with the annual notice being submitted in the format attached.

2. Any exceedance of any requirement contained in this operating agreement shall be reported, in writing, within one (1) week of its occurrence. Said report shall include information on the actions taken to correct the exceedance, including measures to reduce emissions, in order to comply with the established limits. If an exceedance is the result of a malfunction, then the provisions of 326 IAC 1-6 apply.
3. Pursuant to 326 IAC 2-9-1(i), the owner or operator is hereby notified that this operating agreement does not relieve the permittee of the responsibility to comply with the provisions of any applicable federal, state, or local rules, or any New Source Performance Standards (NSPS), 40 CFR Part 60, or National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 CFR Part 61 or 40 CFR 63.

Any change or modification which will alter operations in such a way that it will no longer comply with the applicable restrictions and conditions of this operating agreement, must obtain the appropriate approval from the Office of Air Quality (OAQ) and Vigo County Air Pollution Control (VCAPC) under 326 IAC 2-5.1, 326 IAC 2-5.5, 326 IAC 2-6.1, 326 IAC 2-2, 326 IAC 2-3, 326 IAC 2-7, and 326 IAC 2-8, before such change may occur.

Sincerely,

//Original Signed by//

George M. Needham
Director
Vigo County Air Pollution Control

RKH

cc: Winter Bottum -- IDEM-OAQ
Mindy Hahn -- IDEM-OAQ, Permit Branch

Source Specific Operating Agreement Annual Notification
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This form should be used to comply with the notification requirements under 326 IAC 2-9.

Company Name:	Black Beauty Coal Company, LLC - Farmersburg Mine
Address:	5526 E. French Drive
City:	Pimento, Indiana 47866
Phone #:	812-434-8573
SSOA #:	S 167-24672-00081

I hereby certify that Black Beauty Coal Company, LLC - Farmersburg Mine is still in operation and is in compliance with the requirements of Source Specific Operating Agreement (SSOA) S **167-24672-00081**.

Name (typed):
Title:
Signature:
Date: